

Service Date: December 14, 1982

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of )	UTILITY DIVISION
The MOUNTAIN STATES TELEPHONE )	
AND TELEGRAPH COMPANY For )	
Authority to Increase Rates and For )	DOCKET NO. 82.2.8
Approval of Tariff Changes for Tele- )	
communications Service. )	ORDER NO. 4948a

AMENDMENT TO FINAL ORDER

On November 29, 1982, the Commission issued its final order in the above-captioned docket (Order No. 4948). The following amendments are necessary to correct minor oversights and ambiguities in that order. These amendments do not affect the level of revenues granted in Order No. 4948.

NOW THEREFORE it is hereby ORDERED upon the Commission's own motion that Order No. 4948 be amended as follows (new language underlined ):

1) Finding of Fact No. 131 be amended to read:

131. Evident from a comparison of the above testimony and the Applicant's Schedule 6 (Exh. No. 22) is an apparent inconsistency between the Applicant's ratemaking policy and its proposed rates. From Schedule 6 it is clear that the Applicant intends to increase obsolete PBX rates regardless of whether the current rate lies below or exceeds Montana FDC; moreover, all rates are not raised at least to Montana FDC. Based on the Commission's ratemaking methodology, the correct rate for obsolete PBX offerings should equal the floor of embedded capital plus current O&M. The Commission

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directs the Applicant to increase obsolete PBX rates according to the results of the Montana FDC studies but subject to the following constraints: (1 ) no increase shall exceed the overall vertical service percent increase and (2) rates for obsolete PBX items that already exceed Montana FDC shall not receive additional increases.

2) Finding of Fact No. 138 be amended to read:

138. Due to the lack of evidence in the record indicating the presence and type of cost study conducted, the Applicant's rate design proposals and resulting \$65, 037 revenue effect are denied. The Applicant is directed to apply the resulting vertical service percent increase to existing Mobile Radio rates including nonrecurring charges.

3) Finding of Fact No. 141 be amended to read:

141. The Commission finds, with respect to the access rate, that no basis exists for establishing a different percent relationship of the appropriate 1FR or 1FB rate for RRS than for Mobile Radio Service. Due to the significant increase RRS customers will incur from the other components of RRS, however, the Commission finds reason to moderate the impact and concurs with the 50 percent proposal. In a similar vein, the proposed mobile usage rate of 24¢ per minute is not cost supported. The current 20¢ rate for each minute after the first minute that applies to existing Mobile Radio Service customers shall also apply to RRS customers as increased by the vertical service percent increase. The Commission finds appropriate the application of the existing Mobile Radio equipment charge of \$108 for the equipment component and also the avoided cost rate plus 10 percent contribution for the antenna. In the absence of a cost study, however, the Commission finds no merit in the \$18.04 Rural Radio Service charge. Finally

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the above-determined rates for an existing RRS customer shall also apply to new RRS customers. Nonrecurring rates shall be increased by the overall vertical service percent increase. The revenue effect of the above modifications is unknown to the Commission at this time.

DONE AND DATED this 13<sup>th</sup> day of December, 1982 by a vote of 5- 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

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GORDON E. BOLLINGER, Chairman

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JOHN B. DRISCOLL, Commissioner

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HOWARD L. ELLIS, Commissioner

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CLYDE JARVIS, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Madeline L. Cottrill  
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this

decision. A motion to reconsider must be filed within ten (10) days. See 28.2.4806, ARM.